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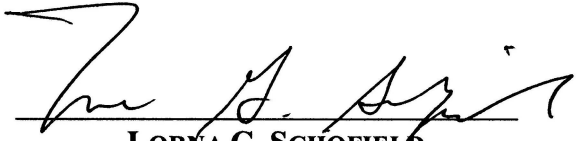
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Application GRANTED. The hearing scheduled for **August 25, 2021**, at 10:50 a.m. is adjourned sine die.

August 25, 2021

Dated: August 25, 2021
New York, New York

Via ECF
Honorable Lorna G. Schofield, U.S.D.J.
Southern District of New York
500 Pearl Street
New York, NY 10007



LORNA G. SCHOFIELD
UNITED STATES DISTRICT JUDGE

Re: Morrison v. Barclays Bank, et al., SDNY Case No. 21-CV-3612 (LGS)

Dear Judge Schofield:

My office represents the plaintiff, James Morrison, in the above-referenced case. I am writing to request an adjournment of tomorrow morning's hearing on the order to show cause to enter a default judgment against Defendant Surplus Freight, Inc. I am making this request because Plaintiff has discovered certain material facts that may render the application for the default judgment moot. Plaintiff seeks two weeks to research and prepare an amended complaint naming the successor company to Defendant Surplus Freight, Inc., known as "Surplus Freight, LLC," and the parent company of both Surplus Freight entities—Stage Capital, LLC—and the officers of all three entities. At the very least, Plaintiff will be adding a new cause of action against Defendant Surplus Freight, Inc. and related defendants alleging fraudulent conveyancing of assets. Defendant Barclays Bank has consented to this adjournment request.

I am making this request because yesterday, on August 24, 2021, I received a letter, dated August 19, 2021, from Michael A. Mess, Esq., General Counsel of Stage Capital, LLC. In his letter, Mr. Mess claims that "Surplus Freight's home office was in space controlled by Stage Capital" and that "Surplus Freight, Inc. ceased doing business in September 2020 when the last of its New York City stores was closed due to the COVID-19 pandemic." Mr. Mess further claims that "Upon closing, Surplus Freight, Inc. was insolvent and was formally dissolved in July 2021 in the State of Ohio." See Exhibit A, attached.

Mr. Mess' letter is grossly misleading and demonstrates the basis for amending the complaint. As alleged in the case of *American Freight, LLC, et al. v. Surplus Freight, LLC*, S.D. Ohio Case No. 21-CV-1922 (MHW)(EPD) (Docket # 35), Stage Capital, LLC is the parent company of both Surplus Freight, Inc. and Surplus Freight, LLC and the founder of Stage Capital, LLC is also the president and CEO of Surplus Freight, LLC. The First Amended Complaint, which I have not attached

due to its length, further describes many millions of dollars in sales and compensation to executives for a company that Mr. Mess now claims is insolvent. Further, Surplus Freight's recently revamped website, www.surplusfreight.com shows that the company has 19 stores across Maryland, North Carolina, and Virginia. And finally, a review of the public business records of Surplus Freight, Inc. and related entities, which can be found on the Ohio Secretary of State website, reveals: (1) Surplus Freight, Inc.'s adoption of the tradename "Surplus Furniture & Mattress Warehouse" in October 2019;¹ (2) the formation of Surplus Freight, LLC on May 28, 2020; (3) the "dissolution" of Surplus Freight, Inc. on July 19, 2021, approximately three months after Plaintiff filed this action; and (4) an assignment of the tradename "Surplus Furniture & Mattress Warehouse" from Surplus Freight, Inc. to Surplus Freight, LLC, filed by Mr. Mess himself on August 16, 2021, a mere nine days ago.

In sum, Plaintiff now has a picture of a multi-million-dollar parent company, Stage Capital, LLC, that has shuttered one subsidiary with the letters "Inc." at the end and transferred its valuable tradename and assets to a sister company with the letters "LLC" at the end of the same name. Stage Capital, LLC and Surplus Freight, LLC should not be permitted to hide behind the "dissolution" of a related entity to avoid liability all the while continuing to operate the same business under essentially the same name. Accordingly, Plaintiff requests an adjournment of tomorrow's hearing and two weeks to incorporate all of these newly discovered facts into an amended complaint. This amendment will likely moot the pending order to show cause.

Respectfully,

/s/ Brian L. Bromberg
Brian L. Bromberg

cc: All Counsel of Record (Via ECF)
Surplus Freight, Inc. (Via First Class Mail)

¹ Public filings reflect that from 2011-2019, Surplus Freight, Inc. used the tradename "Express Furniture Warehouse."